

## Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FPC-01 H-01 INR-07  
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06  
OES-07 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 DLOS-09  
PA-01 PRS-01 /111 W

-----094819 042232Z /64

R 041510Z AUG 77

FM AMEMBASSY LOME

TO SECSTATE WASHDC 2617

INFO AMEMBASSY ABIDJAN

AMEMBASSY ACCRA

AMEMBASSY COTONOU

AMEMBASSY LAGOS

AMEMBASSY OUAGADOUGOU

C O N F I D E N T I A L L O M E 2102

EO 11652: GDS

TAGS: ENRG PLOS TO

SUBJ: TOGO SIGNS OIL EXPLORATION AGREEMENT WITH US FIRM;  
EXTENDS TERRITORIAL SEAS TO 200 MILES.

1. AMBASSADOR WAS VISITED AUGUST 4 BY MR NORMAN J SINGER, SENIOR VICE PRESIDENT OF OCEANIC EXPLORATION COMPANY. SINGER WAS ACCOMPANIED BY MR LAWSON, GOT DIRECTOR OF MINES, AND MR ALANI, TUNISIAN-BORN ECONOMIC ADVISER TO PRESIDENT EYADEMA. PURPOSE OF VISIT WAS TO ANNOUNCE THAT OCEANIC HAD JUST SIGNED EXPLORATION AGREEMENT WITH GOT COVERING BOTH ON-SHORE AND OFF-SHORE OPERATIONS.

2. OCEANIC WILL REVIEW DATA ACCUMULATED BY EARLIER UNION CARBIDE OFF-SHORE EFFORTS AS A FIRST STEP AND HOPES TO BEGIN SEISMIC STUDIES IN A FEW MONTHS. ON-SHORE, OCEANIC WAS INTERESTED IN THE VOLTA RIVER VALLEY IN  
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THE NORTHERN REGION OF TOGO (A POOR AREA WHERE ANY NEW ECONOMIC ACTIVITY WILL HAVE SUBSTANTIAL IMPACT). THIS WOULD BE THE FIRST OIL EXPLORATION IN THIS REGION IN TOGO. SINGER EXPECTED TO MAKE AN INTIAL INVESTMENT ON THE ORDER OF \$4 MILLION UNDER THE EXPLORATION AGREEMENT.

3. SINGER EXPLAINED THAT THE AGREEMENT PROVIDED FOR AN INITIAL 50/50 SHARING OF PRODUCTION WITH GOT. AS A PRIVATE CITIZEN, ALANI WAS ALSO A SHAREHOLDER IN THE VENTURE. EXPLOITATION WOULD PHASE INTO A 70/30 SHARING IN FAVOR OF GOT ACCORDING TO AN AGREED TIME SCHEDULE. THE TAX PROCEDURES WERE QUITE COMPLICATED AND FOLLOWED A PATTERN OCEANIC HAD DEVELOPED IN ITS NEGOTIATIONS WITH THE GREEKS FOR ADRIATIC EXPLORATION. IT WAS DESIGNED TO MAXIMIZE THE TAXES PAID IN TOGO AND TO AVOID GIVING RISE TO AN INTERNAL REVENUE SERVICE CHALLENGE. OCEANIC WISHED TO AVOID THE KIND OF PROBLEMS WITH THE IRS THAT THE "INDONESIAN FORMULA" WAS RUNNING INTO.

4. SINGER SAID THAT NEW FINDINGS OFF-SHORE IN THE IVORY COAST HAD LED TO NEW INTEREST IN WEST COAST OIL EXPLORATION. OCEANIC HELD A CONCESSION IN GHANA, BUT EXPLORATION HAD NOT PROVEN SUCCESSFUL TO DATE, AND AT THE PRESENT TIME OCEANIC WAS NOT ACTIVE IN GHANA. HE SAID HE HAD AVOIDED EARLIER CONTACTS WITH THE EMBASSY AND HAD MADE ONLY GUARDED CONTACTS WITH THE STATE DEPARTMENT CONCERNING HIS OPERATIONS BECAUSE OF THE INTENSE COMPETITION FOR EXPLORATION RIGHTS. FOR EXAMPLE, OCEANIC HAD LOST A CONTRACT IN MAURITIUS TO CAL TEX BECAUSE OF A LEAK THROUGH ONE OF ITS EMPLOYEES.

5. ON AUGUST 2, IN AN UNDOUBTEDLY RELATED MOVE, THE  
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GOT EXTENDED ITS TERRITORIAL SEAS TO 200 NAUTICAL MILES  
AND CREATED "A PROTECTED MARITIME ECONOMIC ZONE."

COMMENT: THE EMBASSY FINDS THIS ACTION SOMEWHAT SURPRISING  
SINCE WE HAD PREVIOUSLY UNDERSTOOD THAT TOGO WAS A  
SHELF-LOCKED STATE. WE WILL BE SEEKING EXPLANATIONS  
FROM FORMIN ON MEANING OF PROTECTED ZONE. PALMER

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NNN

## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Disposition History:** n/a  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Subject:** TOGO SIGNS OIL EXPLORATION AGREEMENT WITH US FIRM; EXTENDS TERRITORIAL SEAS TO 200 MILES.  
**TAGS:** ENRG, PLOS, TO  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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